

## Message Text

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ORIGIN OES-04

INFO OCT-01 EUR-12 NEA-09 ISO-00 SP-02 SS-15 NSC-05

ACDA-05 CIAE-00 INR-07 IO-10 L-02 NSAE-00 EB-07

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APPROVED BY OES:GMGRANT

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S/P - JKAHAN (SUBS.)

NEA/IRN:CNASS

OES:DHOYLE

NSC:DELLIOTT

S/S:FORTIZ

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O 241639Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN IMMEDIATE

INFO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 094541

E.O. 11652:XGDS-2

TAGS: TGEN, TECH, IR

SUBJECT:NUCLEAR AGREEMENT WITH THE GOVERNMENT OF IRAN -  
MULTILATERAL PLANT CONCEPT

LONDON PASS KRATZER AND SIEVERING

1. THIS MESSAGE PROVIDES GUIDANCE TO SIEVERING AND  
KRATZER IN CONJUNCTION WITH UPCOMING NEGOTIATIONS WITH GOI  
ON NULCEAR AGREEMENT FOR COOPERATION.

2. THE PRESIDENT HAS DECIDED THAT IN NEGOTIATING AN  
AGREEMENT ON COOPERATION IN THE CIVIL USES OF ATOMIC ENERGY  
WITH THE GOI, THE U.S. SHALL:

-- "PERMIT U.S. MATERIAL TO BE FABRICATED INTO FUEL  
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IN IRAN FOR USE IN ITS OWN REACTORS AND FOR PASS-THROUGH  
TO THIRD COUNTRIES WITH WHOM WE HAVE AGREEMENTS.

-- AGREE TO SET THE FUEL CEILING AT A LEVEL REFLECTING

THE APPROXIMATE NUMBER OF NUCLEAR REACTORS PLANNED FOR PURCHASE FROM U.S. SUPPLIERS. WE WOULD, AS A FALLBACK, BE PREPARED TO INCREASE THE CEILING TO COVER IRAN'S FULL NUCLEAR REQUIREMENT UNDER THE PROVISIO THAT THE FUEL REPRESENTS IRAN'S ENTITLEMENT FROM THEIR PROPOSED INVESTMENT IN AN ENRICHMENT FACILITY IN THE U.S. ANY ADDITIONAL ENTITLEMENT COULD BE DISPOSED OF BY IRAN WITHOUT IMPORTING THE

MATERIAL INTO THAT COUNTRY THROUGH SALES FROM THE UNITED STATES TO APPROPRIATE THIRD COUNTRIES WITH WHOM THE U.S. HAS BILATERAL AGREEMENTS FOR COOPERATION.

-- CONTINUE TO REQUIRE U.S. APPROVAL FOR REPROCESSING OF U.S. SUPPLIED FUEL, WHILE INDICATING THAT THE ESTABLISHMENT OF A MULTINATIONAL REPROCESSING PLANT WOULD BE AN IMPORTANT FACTOR FAVORING SUCH APPROVAL. AS A FALLBACK, WE COULD INFORM THE GOI THAT WE SHALL BE PREPARED TO PROVIDE OUR APPROVAL FOR REPROCESSING OF U.S. MATERIAL IN A MULTINATIONAL PLANT IN IRAN IF THE COUNTRY SUPPLYING THE REPROCESSING TECHNOLOGY OR EQUIPMENT IS A FULL AND ACTIVE PARTICIPANT IN THE PLANT, AND HOLDING OPEN THE POSSIBILITY OF U.S. PARTICIPATION. THE STANDARD PROVISION REQUIRING MUTUAL AGREEMENT AS TO SAFEGUARDABILITY SHALL APPLY. AN EXPRESSION OF U.S. WILLINGNESS TO EXPLORE COOPERATION IN ESTABLISHING SUCH A FACILITY AT AN APPROPRIATE TIME SHOULD IRAN SO DESIRE, MAY BE MADE."

3. FOLLOWING IS DEPARTMENT AND NSC SUPPLEMENTARY GUIDANCE FOR USE BY NEGOTIATORS IN DISCUSSING "MULTINATIONAL PLANT" CONCEPT AS DISCUSSED IN THE THIRD OPERATIVE PARAGRAPH ABOVE. OUR COMMENTS RELATE TO (A) THE EXTENT TO WHICH THE U.S. DELEGATION SHOULD EXPRESS A "WILLINGNESS TO EXPLORE COOPERATION IN ESTABLISHING SUCH A FACILITY AT AN APPROPRIATE TIME SHOULD IRAN SO DESIRE"; AND (B) OUR INTEREST IN "HOLDING OPEN THE POSSIBILITY OF U.S. PARTICIPATION" SHOULD IRAN DECIDE TO PROCEED WITH A PLANT.

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4. WE OBVIOUSLY HAVE NO PARTICULAR DESIRE TO STIMULATE IRAN INTO ACQUIRING AN INDEPENDENT REPROCESSING CAPABILITY. HOWEVER, SHOULD IRAN APPEAR TO BE INTENT ON ACQUIRING SUCH A CAPABILITY, DELEGATION SHOULD EXPRESS THE VIEW THAT U.S. SINCERELY BELIEVES THAT THE JOINT NON-PROLIFERATION OBJECTIVES WHICH IRAN AND THE USG SHARE WOULD BE FOSTERED IF THE GOI WOULD AGREE TO ESTABLISH ANY SUCH REPROCESSING FACILITY ON A MULTINATIONAL BASIS THAT WOULD ASSURE THE FULL AND ACTIVE PARTICIPATION IN THE PLANT OF THE COUNTRY SUPPLYING THE REPROCESSING TECHNOLOGY OR EQUIPMENT. (IF THE FALL-BACK IS USED WE WOULD GO ON TO SAY THAT IN CASE OF SUCH PARTICIPATION WE WOULD BE PREPARED TO APPROVE THE REPROCESSING OF U.S. MATERIAL SUBJECT TO OUR STANDARD

FINDING THAT EFFECTIVE SAFEGUARDS CAN APPLY TO THE FACILITY).

5. WHILE THE DELEGATION MAY EXPRESS A WILLINGNESS OF THE U.S. TO "EXPLORE" COOPERATION WITH GOI IN ESTABLISHING FACILITY YOU SHOULD INDICATE IRAN COULD ELECT TO ACQUIRE ANY SUCH ASSISTANCE FROM OTHER SUPPLIERS AND THAT

INSOFAR AS ASSISTANCE FROM U.S. IS CONCERNED WE WOULD LOOK TO THE GOI TO TAKE ANY FURTHER INITIATIVES. SIMILARLY, SHOULD THE GOI PROCEED WITH A MULTINATIONAL PLANT (AND REGARDLESS OF THE SOURCE OF THE TECHNOLOGY) DELEGATION SHOULD STATE WE WOULD HOPE GOI WOULD NOW AGREE TO EXPLORE WITH USG AT AN APPROPRIATE LATER TIME, SUITABLE ARRANGEMENTS THAT MIGHT PERMIT U.S. PARTICIPATION IN SUCH A VENTURE. WE ASSUME GOI ONLY WOULD PROCEED WITH A PLANT ON A TIME-SCALE JUSTIFIED BY THE NEEDS OF ITS NUCLEAR POWER PROGRAM AND THE NEEDS OF ANY OTHER PARTICIPANTS.

6. SHOULD DELEGATION FIND IT ESSENTIAL TO MOVE TO FALL-BACK, SOME RECOMMENDED TALKING POINTS EXPRESSING FOREGOING POINTS ARE AS FOLLOWS:

7. BEGIN TEXT: USG ASCRIBES CONSIDERABLE IMPORTANCE TO SEEING ANY MAJOR REPROCESSING PLANTS THAT MAY BE BUILT AROUND THE WORLD ESTABLISHED ON A MULTINATIONAL BASIS, WHEREVER APPROPRIATE. REGARDLESS OF WHETHER A NATION HAS DECIDED TO ADHERE TO THE NPT WE BELIEVE THE ESTABLISHMENT OF REPROCESSING FACILITIES ON SUCH A BASIS WILL PROVIDE AN IMPORTANT ADDITIVE PROTECTION FROM THE NONPROLIFERATION  
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STANDPOINT. OUR CONCERNS OBVIOUSLY ARE NOT WITH IRAN BUT WITH THE DESIRABILITY OF ESTABLISHING A NEW PRECEDENT. SHOULD IRAN DECIDE TO ACQUIRE A REPROCESSING CAPABILITY WE WOULD HOPE THAT SHE WOULD PLAY A LEADERSHIP ROLE IN ESTABLISHING A MULTINATIONAL FACILITY PERMITTING THE SUPPLIER OF THE TECHNOLOGY TO HAVE FULL AND ACTIVE ROLE IN ALL PHASES OF THE OPERATION. IF GOI DECIDES TO PROCEED ON SUCH A BASIS THE U.S. IS PREPARED TO GIVE IRAN ITS APPROVAL UNDER PROPOSED ARTICLE VIII OF THE AGREEMENT SUBJECT TO A DETERMINATION BY U.S. AND IRAN THAT THE PLANT CAN BE SAFEGUARDED. WE ASSUME GOI ONLY WOULD PROCEED WITH A PLANT ON A TIME SCALE JUSTIFIED BY THE NEEDS OF ITS NUCLEAR POWER PROGRAM AND THE NEEDS OF ANY OTHER PARTICIPANTS.

-- WE WOULD VISUALIZE THAT IRAN COULD ACQUIRE ITS TECHNOLOGY FROM SUCH A PLANT FROM ANY SUPPLIER. FOR OUR PART WE SHALL BE HAPPY TO EXPLORE WITH THE GOI THE PROSPECT OF U.S. TECHNOLOGICAL ASSISTANCE TO SUCH A PROJECT, BUT THIS WOULD BE A MATTER FOR THE GOI TO PURSUE WITH US AT LATER APPROPRIATE TIME, IF IT DESIRES. SIMILARLY IF THE GOI DECIDES, IN FACT, TO PROCEED WITH A MULTINATIONAL PLANT, AND PUTTING ASIDE THE SOURCE

OF TECHNOLOGY, WE WOULD HOPE THAT IT WOULD BE AGREEABLE TO  
DISCUSSING WITH THE U.S. SUITABLE ARRANGEMENTS THAT MIGHT  
PERMIT THE U.S. TO CONSTRUCTIVELY ASSOCIATE ITSELF WITH  
SUCH A VENTURE. WE ARE NOT SEEKING ANY PARTICULAR EQUITY  
IN THE PROJECT AT THIS TIME BUT SIMPLY ARE ASKING FOR AN  
EXPRESSION OF WILLINGNESS BY THE GOI TO EXPLORE THIS  
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MATTER WITH THE U.S. AT THE APPROPRIATE TIME. END TEXT.

8. WE ARE HOPEFUL GOI WILL ACCEDE TO OUR PROPOSALS. IF,  
HOWEVER, PROBLEMS DEVELOP IT SHOULD BE STRESSED THAT WE  
DO NOT, REPEAT NOT, WISH NEGOTIATIONS TO BREAK UP IN ANY  
MOOD OF AN IMPASSE. RATHER, SHOULD ANY SHARP DIFFERENCES  
MATERIALIZE, THE DELEGATION SHOULD REITERATE THAT WE VIEW  
THE CONVERSATIONS AS EXPLORATORY, THAT WE BELIEVE BOTH  
SIDES WILL WISH TO REFLECT ON THE POINTS EACH HAS PRESENTED  
AND THAT WE LOOK TO AN EARLY RESUMPTION OF THE NEGOTIATIONS  
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AFTER A SHORT RECESS. KISSINGER

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## Message Attributes

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